

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In re:

REALVEST CORPORATION and
SONAS CAPITAL GROUP, LLC,

Debtors.

Bankruptcy Case Nos.

10-40528-PBS **LEAD CASE**
10-40530-PBS

(Jointly Administered Under 10-40528-PBS)

**DECLARATION OF JEANETTE L.
THOMAS ON BEHALF OF PERKINS
COIE LLP REGARDING PROVISIONAL
PAYMENT PROCEDURES**

Jeanette L. Thomas, declares and says:

1. I am an Of Counsel with Perkins Coie LLP ("Applicant"). Realvest Corporation and Sonas Capital Group, LLC (collectively, the "Debtors") has filed an application to retain Applicant to provide professional services to Debtors in the above-captioned bankruptcy case. An order approving Applicant's retention was entered on March 3, 2010 (Docket No. 93).

2. On January 27, 2010, the Debtors filed a Motion for an Administrative Order Establishing Procedures for Provisional Payment of Compensation and Expenses of

1 - DECLARATION OF JEANETTE L. THOMAS
ON BEHALF OF PERKINS COIE LLP

72859-0001/LEGAL17811277.1

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1 Professionals and Committee Members on a Monthly Basis (the "Provisional Payment
2 Motion").

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5 3. On March 3, 2010, the Court entered an order approving the Provisional
6 Payment Motion (the "Provisional Payment Order"), which required each professional
7 desiring to be covered by the terms of the Provisional Payment Order to submit a declaration
8 setting forth the bases for being covered by the terms of the Provisional Payment Order
9 (Docket No. 94).
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15 4. The three factors that must be established are the following:

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17 A. The case is unusually large and likely to generate a large amount of
18 professional fees.
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21 B. Professionals in the case will suffer hardship if they are
22 "essentially compelled to finance the reorganization."
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25 C. Professionals who receive monthly payments can assure
26 repayment to the bankruptcy estate of any amounts not approved by the
27 Court.
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29 5. This case is among the larger Chapter 11 cases pending in this district. The
30 Debtors have significant debt, a large number of creditors and significant business
31 operations. There are a variety of competing interests in this case and the legal issues are
32 complex. A number of issues are likely to be contested. The level of professional activity in
33 this case will be large if The Debtors' complex reorganization is to be completed.
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39 6. The procedures set forth in the Provisional Payment Motion are designed to
40 reduce the likelihood that any professional may not be paid. Given the significant services
41 required of the Debtors' counsel and the limited, periodic fee application and approval
42 process, Applicant could be required to forgo payment for several months creating an
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1 inappropriate hardship by both reducing the rate of payment and the risk associated with
2 involuntarily financing significant exposure in the Debtors' reorganization.
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5 7. Applicant has sufficient working capital to readily repay any amounts this
6 Court may order to be repaid pursuant to the Provisional Payment Order.
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9 8. The procedures detailed in the Provisional Payment Motion provide for
10 notice to parties of the compensation request, an opportunity for objections to each monthly
11 application as well as the opportunity to object to the fees and expenses at either the
12 quarterly fee application hearings or the final hearing on Applicant's fees and expenses. As
13 a result, parties have three separate opportunities to object to the fees and expenses sought
14 by Applicant.
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20 Executed this 9th day of March, 2010 in Portland, Oregon.
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24 /s/ Jeanette L. Thomas
25 Jeanette L. Thomas
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